

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	:	
	:	Chapter 11
SEARS HOLDINGS CORPORATION, et al.,	:	
	:	Case No. 18-23538 (RDD)
	:	
Debtors.¹	:	(Jointly Administered)
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**THIRTY-EIGHTH MONTHLY FEE STATEMENT OF M-III ADVISORY PARTNERS,
LP FOR COMPENSATION EARNED AND EXPENSES INCURRED
FOR PERIOD OF NOVEMBER 1, 2021 THROUGH NOVEMBER 30, 2021**

1. In accordance with the *Order Authorizing Debtors to Retain M-III Advisory Partners, LP to Provide a Chief Restructuring Officer and Certain Additional Personnel for Debtors Nunc Pro Tunc To Commencement Date* [ECF No. 814] (the “**Retention Order**”),² M-III Advisory Partners, LP (“**M-III**”) hereby submits its thirty-eighth monthly report (the “**Monthly Report**”) on compensation earned and expenses incurred for the period commencing on November

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); SR – Rover de Puerto Rico, LLC (f/k/a Sears, Roebuck de Puerto Rico, Inc.) (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Rover Brands Business Unit, LLC (f/k/a Sears Brands Business Unit Corporation) (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors’ corporate headquarters is c/o M-III Partners, LP, 1700 Broadway, 19th Floor, New York, NY 10019.

² Capitalized terms not otherwise herein defined shall have the meanings ascribed to such terms in the Retention Order.

1, 2021 through and including November 30, 2021 (the “**Reporting Period**”). During the Reporting Period, M-III incurred total fees and expenses of \$639,263.41, comprised of \$638,950.50 of fees and \$312.91 of expenses.

2. During the Reporting Period, M-III provided services central to the Debtors’ restructuring process, including:

- a. Chief Restructuring Officer: Mohsin Y. Meghji in his role as Chief Restructuring Officer, continued to provide day-to-day oversight regarding issues including but not limited to: cash/liquidity management, the resolution of post-closing disputes with the Buyer, post-asset sale matters, and other Chapter 11 reporting requirements, as well as supervising all activity by the M-III team.
- b. Asset Disposition: On an ongoing basis, M-III also assisted the Debtors in matters related to the India and Hong Kong entities foreign cash valuation.
- c. Business Operations: On an ongoing basis, M-III assisted the Debtors with issues related to operating as a debtor-in-possession operating in chapter 11. M-III also prepared numerous accounts payable requests and maintained reporting for non-real estate accounts payable. M-III also sent creditors payment confirmations.
- d. Case Administration: On an ongoing basis, M-III advised and assisted the Debtors with respect to internal and external communications planning and documentation. M-III also completed analysis and assisted the Debtors on various motions. M-III also prepared for and participated in strategic meetings with Debtors’ counsel. M-III also assisted the Debtors regarding addressing issues related to the Effective Date.
- e. Claims Administration and Objections (Other Than Governmental Units, Real Estate and Secured Claims): M-III advised and assisted the Debtors with reconciling the Administrative Expense Consent Program Non-Opt-Out Group for administrative claimants that filed an Opt-In Ballot and were not part of the initial, second and third distribution, filed a Non-Opt-Out Ballot or did not respond to ballot solicitation. This included reconciling the creditors amounts to the company’s books and records and negotiating with creditors. M-III also responded to numerous inquiries from creditors regarding the Administrative Expense Consent Program Ballot and the claims reconciliation process. M-III also prepared omnibus objection exhibits and certificates of no objections to proofs of claim and ballots. M-III also continued reviewing Opt-Out Ballots in comparison to the Debtors’ books and records. M-III also prepared omnibus objection exhibits to Opt-Out Ballots. M-III also continued to assist in settlement agreement negotiations with creditors and Debtors’ counsel. M-III also continued to maintain

reporting and tracking related to the Administrative Expense Consent Program Ballot and the claims reconciliation process.

- f. Claims Administration and Objections (Governmental Units): M-III advised and assisted the Debtors with reconciling the administrative and priority tax claims related to governmental units. This included reconciling the creditors amounts to the company's books and records and negotiating with creditors. M-III also responded to numerous inquiries from creditors regarding the claim's reconciliation process. M-III also prepared certificates of no objection to proofs of claim. M-III also continued to maintain reporting and tracking related to the claim's reconciliation process.
- g. Claims Administration and Objections (Secured Claims): M-III advised and assisted the Debtors with reconciling the secured claims including consignment, life insurance, secured loan and other claims as asserting a secured claim that lack a valid security interest. This included reconciling the claim amounts to the company's books and records and negotiating with creditors. M-III also prepared omnibus objection exhibits and certificates of no objection exhibits to proofs of claim. M-III also assisted the Debtors in settlement agreement negotiations with the creditors and Debtors' counsel. M-III also continued to maintain reporting and tracking related to the secured claims reconciliation process.
- h. Corporate Governance and Board Matters: On an ongoing basis, M-III prepared for and participated in meetings of the Restructuring Committee of the Board.
- i. Employment and Fee Applications: M-III prepared its monthly invoice in compliance with its retention order.
- j. Estate Tracker Reporting: M-III also prepared weekly reports to illustrate cash flows and liquidity as compared to the forecast including related methodologies, as well as cash management planning. M-III distributed the weekly variance reports to the Restructuring Committee, Pre-Effective Date Committee and Creditors' Committee and addressed questions from these parties as they arose.
- k. Insurance and Damage Claim Processing and Management: On an ongoing basis M-III assisted the Debtors in the pursuit of various damage and insurance claims where the Debtors are the plaintiff. This includes managing outside counsel and the collection of settlement proceeds. M-III also assists the Debtors in managing general liability claims and legal cases where the Debtors are the defendant. M-III also works with the Debtors' insurance claims processing agent, to manage these claims and cases.
- l. Litigation: M-III continued to review and analyze updates related to the Calder Sculpture. M-III also assisted with litigation matters to enforce the APA related to the foreign entities cash litigation. M-III also assisted with litigation matters being handled by various Ordinary Course Professionals.

- m. Meetings and Communications with Creditors: On an ongoing basis, M-III prepared for and participated in meetings and teleconferences with the Official Committee of Unsecured Creditors and their respective advisors.
- n. Meetings and Communications with Restructuring Committee: On an ongoing basis, M-III prepared and participated in meetings and teleconferences with the Debtors' Restructuring Committee.
- o. Meetings and Communications with Pre-Effective Date Committee: On an ongoing basis, M-III prepared and participated in meetings and teleconferences with the Debtors' Pre-Effective Date Committee.
- p. Non-Debtor Entities Remaining with the Debtors: On an ongoing basis, M-III assisted with accounting and other matters related to SHC Israel Ltd. and Sears Holdings Mauritius Holding Company.
- q. Ordinary Course Professionals (OCP): On an ongoing basis, M-III assisted the Debtors with reviewing and preparing the OCP invoices for payment in accordance with the OCP Motion, maintained respective reporting and sent payment confirmations. M-III also continues to work with the Debtors to resolve other legal non-OCP invoices and matters related to the case.
- r. Preference Analysis: M-III worked with the preference firms to support the preference project across the engaged firms including providing the Debtors resolution amounts for numerous claims, following up with the Debtors on inquiries related to the resolution of preferences and providing supporting documentation.
- s. Real Estate – Claims Administration and Objections: On an ongoing basis M-III assisted the Debtors with reviewing and reconciling the administrative and priority claims and ballots related to real estate. M-III also assisted the Debtors with preparing the omnibus objections to proofs of claim and continue to assist in settlement agreement negotiations with creditors and Debtors' counsel. M-III also continued to maintain reporting and tracking related to the real estate claims reconciliation process.
- t. Real Estate – Property Management: On an ongoing basis, M-III assisted the Debtors in the management of its real estate assets and related accounts payable.
- u. Real Estate – Property Taxes Payable by the Estate: On an ongoing basis, M-III assisted the Debtors in analyzing property tax bills presented for payment to determine what amount, if any, is owed by the Debtors or potentially other parties.
- v. Real Estate – Unencumbered Real Estate Sales & Analysis: On an ongoing basis, M-III assisted the Debtors in due diligence, analysis, reporting, marketing, and monetization related to the unencumbered real estate. M-III worked closely with the Debtors to list, market and sell unencumbered assets to a variety of real estate investors. M-III also assisted the Debtors with the analysis of unencumbered

properties with a view towards selling these assets in a timely manner for favorable prices.

- w. Reporting: On an ongoing basis, M-III assisted with matters related to the US Trustee, assisted the Debtors with accounting related items including but not limited to, preparing monthly bank reconciliations, reviewing monthly financial statement accounts and monthly reporting for the Post-Confirmation Corporate Quarterly Operating Report.
- x. Tax Issues: On an ongoing basis, M-III assisted the Debtors with various inquiries related to year-end Federal, State, City and Local Income Tax Returns. M-III also assisted the Debtors with officer assessments. M-III also assisted the Debtors in gathering information and evaluating potential tax recoveries related to Federal, Sales and Use Tax and payroll.
- y. Unclaimed Funds: On an ongoing basis, M-III assisted in the unclaimed funds process and followed up with the Debtors on inquiries related to additional information regarding unclaimed funds. M-III also assisted the Debtors by preparing letters to follow-up on reimbursement of outstanding credits to be refunded back to the Debtors.

3. **Exhibit A** attached hereto includes a summary of fees and expenses and a list of the personnel that provided services to the Debtors during the Reporting Period, their respective titles, their respective billing rates, the aggregate hours spent by each individual, and the total compensation earned by each individual.

4. **Exhibit B** attached hereto is a breakdown of the reasonable expenses incurred by M-III during the Reporting Period.

Dated: December 8, 2021
New York, New York

By: /s/ Mohsin Y. Meghji
Mohsin Y. Meghji
Managing Member
M-III Advisory Partners, LP
1700 Broadway,
19th Floor
New York, NY 10019

Exhibit A

Case No.: 18-23538 (RDD)
Case Name: Sears Holdings Corporation
M-III Advisory Partners, LP
November 1 Through November 31, 2021

Summary of Compensation Sought for the Reporting Period

TOTAL HOURS	TOTAL FEES	TOTAL EXPENSES	TOTAL COMPENSATION	MONTHLY COMPENSATION FEES (100%)	MONTHLY COMPENSATION EXPENSES (100%)	TOTAL MONTHLY COMPENSATION
1,067.8	\$638,950.50	\$312.91	\$639,263.41	\$638,950.50	\$312.91	\$639,263.41

Case No.: 18-23538 (RDD)

Case Name: Sears Holdings Corporation

M-III Advisory Partners, LP

November 1 Through November 31, 2021

Summary of Hours Billed by Professional

Employee Name	Title	Total Hours	Rate (a)	Total
Meghji, Mohsin	Managing Partner	12.0	\$1,225	\$14,700.00
Gallagher, William	Managing Director	9.0	\$1,050	9,450.00
Griffith, Brian	Managing Director	39.9	\$1,050	41,895.00
Murphy, William	Senior Director	125.0	\$875	109,375.00
Korycki, Mary	Director	166.4	\$850	141,440.00
Detrick, Andrew	Senior Associate	161.6	\$575	92,920.00
Flanagan, Tomas	Associate	102.6	\$495	50,787.00
Kim, Tyler	Associate	1.2	\$495	594.00
Coletta, Timothy	Analyst	213.1	\$395	84,174.50
Morris, Paul	Analyst	217.9	\$395	86,070.50
Ramnani, Ravi	Analyst	12.0	\$395	4,740.00
Urena, Amanda	Analyst	7.1	\$395	2,804.50
Total		1,067.8		\$638,950.50

Note:

(a) The billing rate reflects M-III Advisory Partners, LP 2021 billing rates. [ECF 9297]

Exhibit B

Case No.: 18-23538 (RDD)

Case Name: Sears Holdings Corporation

M-III Advisory Partners, LP

November 1 Through November 31, 2021

Summary of Necessary Expenses Incurred

Description	Total
Telephone/Internet/IT	\$278.17
Miscellaneous	34.74
Total (a)	\$312.91

Note:

- (a) Total amounts are based on M-III's expense reporting system as of the date of this Monthly Report and may not be reflective of all expenses incurred during the Reporting Period. As such, future monthly reports may include expenses incurred during the Reporting Period.